

## RECORD OF PROCEEDINGS

---

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD FEBRUARY 12, 2021

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the CAB was convened on Friday, the 12<sup>th</sup> day of February, 2021, at 8:30 a.m. at Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, CO 80137. Due to the concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this CAB Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

**Directors In Attendance Were:**

Mark Harding  
Joe Knopinski  
Kevin McNeill  
Scott Lehman  
Dirk Lashnits

**Also In Attendance Were:**

Lisa Johnson, Celeste Terrell, Thuy Dam and Cathee Sutton; CliftonLarsonAllen LLP (“CLA”)  
MaryAnn McGeady, Esq., and Suzanne Meintzer, Esq.; McGeady Becher P.C.  
Barrett Marrocco; Independent District Engineering Services, LLC (“IDES”)  
Rick Dinkel and Deborah Saya; Pure Cycle Corporation

Members of the Public: Ariel Curran, Michelle Lewis, Spencer Mahaffey, Jenny Mahaffey, Zach Curran, Ed Garner, Porsha Black, Kevin Scott, Jessica Gardner, Carla MacMillan, Mariam Ortega, Megan Ross, Ryan Silkworth, Katherine Hardy, Barbara Kester, Jeremy Chavez, Tanya Craig, Kalie Randolph, CJay Williams, Daniel Vaughn, Brian Clement, Mitchell Family, Ryan Bristol, and Julie Lane

**ADMINISTRATIVE  
MATTERS**

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that all Directors’ Disclosure Statements were filed. No additional conflicts were disclosed at the meeting.

**Quorum, Location of Meeting, Posting of Meeting Notice and Agenda:** Attorney Meintzer confirmed the presence of a quorum. The Board reviewed a proposed Agenda for the CAB’s special meeting.

## RECORD OF PROCEEDINGS

---

Following discussion, upon a motion made by Director McNeill, seconded by Director Knopinski and, upon vote, unanimously carried the Board approved the Agenda as amended to include an Executive Session at the end of the meeting.

The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the CAB's Board meeting.

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, certain Board members and consultants of the CAB would attend this meeting in person at the above-referenced location. However, certain other Board members and consultants of the CAB would attend this meeting via video conference or teleconference. The Board further noted that the notice of the time, date, location, and video conference/teleconference information for the meeting was duly posted and that no objections to the means of hosting the meeting were received from taxpaying electors.

### **PUBLIC COMMENT**

The Board and Consultants introduced themselves to the members of the public in attendance. Resident Jenny Mahaffey provided a list of questions from the residents to Ms. Johnson prior to the meeting. The questions primarily concerned property taxes, operation and maintenance fees, status of ongoing development projects, elections, and various other community issues.

The Board and Consultants addressed each question and members of the public in attendance asked additional questions during the discussion.

At the end of the discussion, the Board and Ms. Johnson thanked the members of the public for attending the meeting and invited them to stay for the remainder of the meeting, if interested. The Public Comment section of the agenda lasted for just under two hours.

**CONSENT AGENDA** The Board considered the following items under the Consent Agenda:

- Revised Minutes from the December 17, 2020 Special Meeting and Minutes of January 8, 2021 Special Meeting:

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Consent Agenda.

## RECORD OF PROCEEDINGS

---

### FINANCIAL MATTERS

**Financial Statements and Schedule of Cash Position, Accounts Receivable Summaries, Tax Schedules, and Developer Advance Schedule through December 31, 2020 updated as of January 27, 2021:** Ms. Sutton presented the Financial Statements and schedule of cash position, accounts receivable summaries, tax schedules, and developer advance schedule through December 31, 2020 updated as of January 27, 2021.

Following review and discussion, upon motion duly made by Director McNeill, seconded by Director Lashnits and, upon vote, unanimously carried, the Board accepted the Financial Statements and schedule of cash position, accounts receivable summaries, tax schedules, and developer advance schedule through December 31, 2020 updated as of January 27, 2021.

**Payables through February 12, 2021:** The Board reviewed the claims. There were two additional claims related to insurance and the insurance broker fee for Sky Ranch Metropolitan District No. 3, which increased the amount of the claims to \$268,936.29. One claim was deducted, which decreased the amount of the claims to \$261,586.29.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the payables through February 12, 2021 in the revised amount of \$261,586.29.

### CONSTRUCTION MATTERS

**Project Manager's Report:** Director Lashnits presented the Project Manager's Report to the Board.

**Construction Contract for Grading Services between the CAB and Premier Earthworks & Infrastructure, Inc. ("PEI"), in an amount not to exceed \$50,000:**

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Construction Contract for Grading Services between the CAB and Premier Earthworks & Infrastructure, Inc. ("PEI"), in an amount not to exceed \$50,000.

**Master Services Agreement ("MSA") and Task Order No. 1 to MSA with CMS Environmental Solutions, LLC for Phase II GESC Compliance in the amount of \$20,250:**

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved Master Services Agreement ("MSA") and Task Order No. 1 to MSA with CMS Environmental Solutions, LLC for Phase II GESC Compliance in the amount of \$20,250.

**Drainage and Utilities:** None.

**Roadway Improvements:** None.

## RECORD OF PROCEEDINGS

---

**Grading/Earthwork:** None.

**Landscape Improvements:**

*Phase I*

1. *Pay Application No. 22 to the Landscape Improvements Contract with Environmental Designs, Inc. ("EDI") in the amount of \$36,797.68:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 22 to the Landscape Improvements Contract with EDI in the amount of \$36,797.68.

*Phase III*

1. *Change Order No. 10 to the Landscape Improvements Contract with EDI for adding trees to the south of the Wastewater Treatment Plant, trenching in irrigation piping, and reseed the irrigation trenches in the amount of \$3,758.45:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 10 to the Landscape Improvements Contract with EDI for adding trees to the south of the Wastewater Treatment Plant, trenching in irrigation piping, and reseed the irrigation trenches in the amount of \$3,758.45.

2. *Change Order No. 11 to the Landscape Improvements Contract with EDI for exchanging the matrix web playground equipment with the Calvin Caterpillar playground piece in Pocket Park South in the amount of \$4,677.71:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 11 to the Landscape Improvements Contract with EDI for exchanging the matrix web playground equipment with the Calvin Caterpillar playground piece in Pocket Park South in the amount of \$4,677.71.

3. *Pay Application No. 9 to the Landscape Improvements Contract with EDI in the amount of \$76,994.50:*

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 9 to the Landscape Improvements Contract with EDI in the amount of \$76,994.50.

## RECORD OF PROCEEDINGS

---

**Engineers Report:** Mr. Marrocco presented the Engineer's Report to the Board.

### **LEGAL MATTERS**

**Proposed Amendment to Amended and Restated Community Authority Board Establishment Agreement by and between Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5:** Attorney Meintzer discussed engaging bond counsel to discuss a potential amendment to the Community Authority Board Establishment Agreement.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote unanimously carried, the Board directed General Counsel to coordinate with Bond Counsel to discuss a potential amendment to the Amended and Restated Community Authority Board Establishment Agreement.

**Resolution No. 2021-02-01, Second Amended and Restated Resolution of the Board of Directors of the CAB Regarding the Imposition of Operations and Maintenance Fees:** Attorney Meintzer presented the Second Amended and Restated Resolution, which subjects three additional lots to the imposition of the Operation and Maintenance Fees. Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Resolution No. 2021-02-01, Second Amended and Restated Resolution of the Board of Directors of the CAB Regarding the Imposition of Operations and Maintenance Fees.

**McGeady Becher P.C. Document Retention Policy:** Attorney Meintzer presented the document retention policy. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the McGeady Becher P.C. Document Retention Policy.

### **COMMUNITY MANAGEMENT / COVENANT CONTROL / OPERATIONS MATTERS**

**Community Manager's Report:** The Board reviewed the Community Manager's Report. The Board discussed ideas regarding how to ensure disclosure information about the CAB and the Sky Ranch Metropolitan Districts is being provided to prospective buyers within the community.

### **EXECUTIVE SESSION**

**Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S.:** Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice on issues regarding negotiations related to the Amended and Restated Community Authority Board Establishment Agreement and engagement of consultants for underwriting services or investment banking services.

At 11:10 a.m. Director Knopinski moved and Director Harding seconded a motion to enter into executive session. The motion was unanimously approved.

## RECORD OF PROCEEDINGS

---

At 11:36 a.m. Director McNeill moved and Director Knopinski seconded a motion to end the executive session and reconvene to the Special Meeting. The motion was unanimously approved.

The Board directed General Counsel to coordinate with Bond Counsel to discuss a potential amendment to the Amended and Restated Community Authority Board Establishment Agreement.

The Board also directed General Counsel to prepare requests for proposals related to underwriting services or investment banking services related to a potential debt issuance in the third quarter of 2021, and to present the responses received to the Board during the March Board meeting.

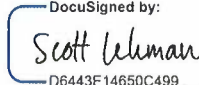
### QUORUM FOR NEXT MEETING

**Confirm Quorum for March 12, 2021 Board Meeting:** The Board confirmed a quorum for the March 12, 2021 Board Meeting.

### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director McNeill, seconded by Director Lashnits and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By:  \_\_\_\_\_  
Secretary for the Meeting

**ATTORNEY STATEMENT  
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Sky Ranch Community Authority Board (the "CAB"), I attended the executive session meeting of the CAB Board convened at 11:10 a.m. on February 12, 2021, for the sole purpose of giving legal advice on issues regarding negotiations related to the Amended and Restated Community Authority Board Establishment Agreement and engagement of consultants for underwriting services or investment banking services. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signed   
MaryAnn McGeady

Dated: 4/03/2021

**McGeady Becher P.C.  
Document Retention Policy**

**Types of Documents**

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

**Documents You Provide to Us**

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

**The District's Record**

As a part our engagement, we will maintain the District's official public Record (the "Record"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

**Supplemental Documents**

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.



**Documents We Retain**

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

**Delivery of the Record**

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.